

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2017-308-C**

IN RE:)
)
Application of **SQF, LLC**)
)
For a Certificate of Public Convenience)
And Necessity for Authority to Provide)
Facilities Based Local Exchange)
Service and for Flexible Regulation of its)
Local Exchange Services)

**DIRECT TESTIMONY OF TIMOTHY
SCHNEIDER**

Q. Please state your full name, business address and position.

A. My name is Timothy Schneider. I am the General Counsel for Tilson Technology Management, Inc. (“Tilson”), which is the parent company of SQF, LLC (“SQF” or “Applicant”). My business address is 16 Middle St., 4th Floor, Portland, ME 04101.

Q. Please provide a brief description of your background and experience.

A. I joined Tilson in July 2017 and represent the company before state and federal regulatory bodies, managing the regulatory and governmental affairs for Tilson and its subsidiary, SQF, LLC. In addition, I advise Tilson’s clients on matters relating to broadband development, right-of-way and pole attachment laws. Prior to joining Tilson, I served as the State of Maine’s Public Advocate for four years, where I represented the state’s utility customers before the Public Utilities Commission. Prior to my work as Public Advocate, I was an attorney in the utility practice at Pierce Atwood, LLP in Portland, Maine.

1 **Q. Have you testified before the South Carolina Public Service Commission previously?**

2 A. No.

3 **Q. What is the purpose of your testimony?**

4 A. I am offering testimony in support of SQF, LLC's application for a Certificate of Public
5 Convenience and Necessity to provide telecommunications services throughout the State
6 of South Carolina.

7 **Q. Are all of the statements in SQF's application correct and true to the best of your**
8 **knowledge, information and belief?**

9 A. Yes.

10 **Q. Do you wish to incorporate by reference any documents into this testimony?**

11 A. Yes. I wish to incorporate, by reference, SQF's underlying application filed in this
12 proceeding and its associated exhibits.

13 **Q. Do you ratify and confirm the statements and representations made in this**
14 **application and all exhibits thereto?**

15 A. Yes.

16 **Q. Is SQF legally authorized to do business in South Carolina?**

17 A. Yes. SQF, LLC was granted a Certificate of Authority to transact business in the State of
18 South Carolina on August 10, 2017. A copy of its certificate is attached to SQF's
19 application as **Exhibit A**.

20 **Q. Are you familiar with the application that was submitted by SQF on September 29,**
21 **2017, for a Certificate of Public Convenience and Necessity ("Application")?**

22 A. Yes, I am familiar with the Application.

1 **Q. Are there any changes or updated information of which the Commission should be**
2 **aware?**

3 A. Yes, SQF's address moving forward, effective immediately, is 16 Middle St., 4th Floor,
4 Portland, Maine 04101.

5 **Q. Please describe SQF's corporate structure.**

6 A. SQF is a limited liability company organized under the laws of the State of Maine in July
7 2012. It is wholly-owned by its one member, parent company Tilson Technology
8 Management, Inc. ("Tilson").

9 **Q. Please describe the authority that SQF seeks from the Commission.**

10 A. SQF seeks to offer wholesale facilities-based intrastate local exchange telecommunications
11 services to carrier customers within South Carolina. SQF does not intend to provide voice
12 service to residential customers, just transport and backhaul to carriers through a
13 combination of its own equipment, as well as equipment leased from carrier customers.

14 **Q. Please describe the types of service that SQF will offer in South Carolina.**

15 A. SQF seeks the authority to provide the following forms of local exchange service
16 throughout the State of South Carolina: wholesale transport, backhaul and loops to wireless
17 local loop providers; increasing network coverage and capacity for these carriers. SQF
18 deploys low powered small cellular antennas, facilities-based and leased fiber transport and
19 routing/switching of comingled voice and data traffic (including local exchange bound
20 service as Internet protocol (IP) traffic generated by other retail providers) for its wholesale
21 customers. It accomplishes this via its own pole facility infrastructure as well as fiber optic

1 cables attached to existing customer-provided pole infrastructure. SQF's customers include
2 wireless Internet service providers (ISP's), public safety network operators, CLECs, and
3 cellular carriers. SQF does not intend to provide switched residential or business service to
4 end users.

5 **Q. Does SQF propose to offer telecommunications services to both residential and**
6 **business/commercial customers?**

7 A. SQF primarily serves enterprise and other business and governmental entities. As such,
8 SQF's services are generally not intended for retail residential local exchange customers
9 in South Carolina. For this reason, the bond/security requirements as set forth by
10 Commission Rule 103-607 are inapplicable to SQF. Should SQF expand its services to
11 provide retail residential local exchange services in the future, SQF will comply with the
12 Commission requirements established by Rule 103-607.

13 **Q. Do the Principals and Employees of SQF have previous telecommunications**
14 **experience?**

15 A. Yes. As demonstrated in the resumes in **Exhibit C** of the Application, SQF's management
16 and employees have extensive experience in the provision of telecommunications services.

17 **Q. Is SQF authorized to provide telecommunications services in any other states?**

18 A. Yes. SQF is authorized to provide telecommunications services in the following states:
19 Maine, New Jersey, Pennsylvania, New York, Georgia, Oregon, Delaware, Washington
20 State, District of Columbia, Rhode Island, Virginia, West Virginia, Maryland, Texas,

1 Florida, Connecticut, Utah, North Carolina, and Tennessee. SQF is not a CLEC but is
2 Registered Telecommunications Carrier in the state of New Hampshire.

3 **Q. Have there been any disciplinary proceedings against SQF in any of the**
4 **aforementioned states?**

5 A. No.

6 **Q. Please describe SQF's financial qualifications.**

7 A. SQF is financially qualified to provide telecommunications services in South Carolina. As
8 stated in the submitted Application, SQF's resources will allow it to operate and expand its
9 business into South Carolina. The financial information demonstrating SQF's financial
10 qualifications was provided as **Exhibit B** of its Application. As shown in that exhibit, SQF
11 is financially qualified to operate within the State of South Carolina.

12 **Q. How will SQF bill for its services?**

13 A. As SQF serves its carrier customers on an individual contract basis, and for specific
14 services provided, it utilizes direct contracts with its customers specific to the needs of each
15 customer's business. SQF, will bill customers through its own internal billing system on a
16 monthly basis.

17 **Q. How are customer inquiries or disputes handled?**

18 A. SQF is available to handle billing questions or complaints at its toll free number, 1-844-
19 484-5766 or by its Administrator, Nicholas Bournakel at 207-358-7415. These numbers
20 are available during normal business hours, 9am-5pm, EST. In addition, customers may e-

1 mail SQF at the following address: nbournakel@tilsontech.com. After-hours complaints
2 and inquiries will be forwarded to a voicemail system and answered on the next business
3 day. In the event that a customer complaint cannot be resolved through one of these
4 channels, the complaint will be escalated to a supervisor. A manager will supervise the
5 resolution of any escalated complaints.

6 **Q. Does SQF have offices in South Carolina?**

7 A. SQF does not intend to have offices in South Carolina at this time. As such, pursuant to
8 Rule 103-610, SQF requests that the Commission allow it to maintain all applicable books
9 and records at its offices in Maine. Should Commission Staff or ORS ask to inspect these
10 books and records, SQF will provide access expeditiously and at its own expense.

11 **Q. Is SQF currently providing any type of telecommunication services in South**
12 **Carolina?**

13 A. No, it is not.

14 **Q. Does SQF have specific locations it plans to serve in South Carolina?**

15 A. No, it does not. SQF's general intention is to target urban areas initially, filling in coverage
16 gaps for its carrier customers. Following this, SQF intends to move outward away from
17 these urban areas into less urban areas.

18 **Q. If authorized to provide competitive telecommunications services in South Carolina,**
19 **will SQF abide by the rules, regulations, policies and orders of the Commission and**
20 **the laws of the State of South Carolina, as now adopted or that may be adopted in the**

1 **future in its provision of intrastate telecommunications services?**

2 A. Yes. SQF commits to abide by all rules and regulations that are deemed to be applicable to
3 SQF. SQF also agrees to abide by all 911 requirements if it should provide switched local
4 exchange services in the future. However, at the present time SQF is not providing, nor
5 does it intend to provide, switched services to residential or business customers directly.
6 As such, this requirement is inapplicable to SQF at the present time.

7 **Q. Please describe the proposed tariff filed by SQF.**

8 A. SQF has filed as **Exhibit D** to its Application its proposed competitive local exchange
9 telecommunications tariff. This tariff contains the applicable rules and regulations
10 pertaining to the provision of such services. I believe that SQF's tariffs comply with all
11 applicable Commission Rules and Orders, and SQF agrees to make all changes suggested
12 by the ORS as necessary to comply with applicable authority.

13 **Q. How will SQF market its services?**

14 A. SQF does not plan to utilize telemarketing as a method for selling its services. SQF's
15 primary mode of marketing will involve the use of a direct sales force. Should SQF decide
16 to utilize outbound telemarketing in the future, SQF will comply with all rules regarding
17 such marketing.

18 **Q. Will grant of a Certificate of Public Convenience and Necessity to SQF serve the**
19 **public interest of South Carolina Consumers?**

20 A. Grant of this application will have both direct and indirect public benefits. Direct in that

the public will use the services offered by SQF through greater, more reliable wireless networks; and also indirect in that with SQF in the market, the increased competition will provide an incentive for existing carriers to improve their service offerings and become more efficient, productive, and innovative. For the forgoing reasons, grant of the instant Application will serve the goal of increased competition in South Carolina's telecommunications market, thus providing both lower priced more robust, better quality telecommunications service.

Q. Who is knowledgeable about SQF's operations and will serve as the Commission's/ORS's regulatory and customer service contact?

A. As stated in the Application, all ongoing compliance matters should be directed to

Nicholas Bournakel, Administrator
 SQF, LLC
 16 Middle Street, 4th Floor
 Portland, ME 04101
 Tel: (207) 358-7415
 Fax: (207) 772-3427
 Email: nbournakel@tilsontech.com

Q. Does SQF seek exemption from any rules requiring that its books be kept in conformance with the Uniform System of Accounts?

A. Yes, the USOA was developed by the Federal Communications Commission as a means of regulating telecommunications companies subject to rate base regulation. As a carrier, Applicant will not be subject to rate base regulation and therefore, request Commission approval to maintain its books in accordance with Generally Accepted Accounting Principles.

Q. Has any State ever denied SQF or one of its Affiliates authorization to provide

1 **intrastate service?**

2 A. No state has ever denied SQF or one of its affiliate's authorization to provide Intrastate
3 service.

4 **Q. Does this conclude your testimony?**

5 A. Yes, it does.